

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7636

BILL NUMBER: SB 542

NOTE PREPARED: Feb 26, 2007

BILL AMENDED: Feb 22, 2007

SUBJECT: Bureau of Motor Vehicles Commission.

FIRST AUTHOR: Sen. Merritt

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill:

- (1) abolishes the Bureau of Motor Vehicles (BMV) and transfers administrative responsibilities of the BMV;
- (2) repeals and relocates language concerning the BMV to the Bureau of Motor Vehicles Commission (BMVC);
- (3) permits or requires the BMVC to adopt rules;
- (4) provides that the rules adopted by the BMV before July 1, 2007, concerning motor vehicle law are considered, after June 30, 2007, the rules of the BMVC;
- (5) makes conforming changes and technical corrections; and
- (6) removes a provision that allows the BMV to charge a fee to a person who uses a bank card or credit card to pay Motor Vehicle License Excise Tax for transaction charges or discount fees charged by bank or credit card vendors.

Effective Date: July 1, 2007.

Explanation of State Expenditures: The transfer of the BMV and the statutory transfer of various functions and responsibilities to the Bureau of Motor Vehicles Commission will not necessarily represent a fiscal impact to the state. Any costs that might be incurred from a physical relocation of offices or any expenditures that could be reduced because of operational efficiencies will depend upon administrative actions.

The funds affected are the Motor Vehicle Highway Account, which supports the BMV, and the state License Branch Fund, which supports the BMVC and the operation of the state's license branches throughout the state.

Background Information: The Chief Financial Officer of the BMV reports that the BMVC uses the same fringe benefit calculation as state employees, although they have a different pay plan. Copies of both the 2007 BMVC Pay Plan and the 2007 State of Indiana Pay Plan are available in the Office of Fiscal and Management Analysis. Beginning January 2007, the BMVC earns vacation leave which must be used within the year and paid time off (PTO). They also earn holidays. In addition, the BMVC employees are now eligible for the Disability Program state employees utilize.

For FY 2007, the BMVC has a total of 2,181 positions, of which 1,589 are full-time positions, 462 are part-time positions, and 130 are vacant positions, which include both full-time and part-time.

Following is a table which shows the appropriations and expenditures for the BMVC for the last four years, and the amount requested by the BMVC for FY 2008 and FY 2009.

Bureau of Motor Vehicles Commission Appropriations and Expenditures						
	FY 2004	FY 2005	FY 2006	FY 2007*	FY 2008**	FY 2009**
Appropriation	\$70.9 M	\$70.9 M	\$84.2 M	\$84.2 M	\$80.1 M	\$80.1 M
Expenditures	\$71.9 M	\$79.3 M	\$75.7 M	\$79.2 M		
Difference	-\$1.0 M	-\$8.4 M	\$8.5 M	\$5.0 M		
*Estimate for expense, actual for appropriation.						
**Request and Recommended.						

Following is a table which shows the appropriations and expenditures for the BMV for the last four years, and the amount requested by the BMV for FY 2008 and FY 2009 for its various operations.

	FY 2004	FY 2005	FY 20 06	FY 2007*	FY 2008**	FY 2009**
BMV Operating						
Appropriation	\$37.9 M	\$37.9 M	\$36.6 M	\$36.6 M	\$35.6 M	\$35.6 M
Expenditures	\$35.6 M	\$36.8M	\$32.3 M	\$35.4 M		
License Plates						
Appropriation	\$5.5 M	\$5.5 M	\$5.4 M	\$5.4 M	\$15.9 M	\$5.6 M
Expenditures	\$9.5 M	\$4.8 M	\$5.4 M	\$5.6 M		
Technology Fund						
Appropriation	\$5.2 M	\$5.2 M	\$5.1 M	\$5.1 M	\$5.4 M	\$5.4 M
Expenditures	\$4.5 M	\$4.8 M	\$4.4 M	\$8.4 M		
Fin. Resp.+						
Appropriation	\$9.0 M	\$9.0 M	\$7.8 M	\$7.8 M	\$6.9 M	\$6.9 M
Expenditures	\$8.9 M	\$4.5 M	\$3.3 M	\$6.8 M		
Abandoned Vehicles						
Appropriation	\$37,000	\$37,000	\$36,260	\$36,260	\$463,207	\$463,207
Expenditures	\$384,949++	\$592,025++	\$1.0 M++	\$457,945++		
Dealer Investigator						
Appropriation	\$268,600	\$268,600	\$263,228	\$263,228	\$207,766	\$207,766
Expenditures	\$119,488	\$73,239	\$71,537	\$206,220		
*Estimate for expense, actual for appropriation. **Requested and Recommended. + Financial Responsibility and Compliance ++ All revenue collected by the BMV is paid into the Abandoned Vehicle Fund to be used for administrative expenses. At the end of every fiscal year, all monies in excess of \$37,000 are transferred to the Motor Vehicle Highway Account.						

For the BMV operating account for FY 2007, the BMV estimates 438 full-time positions and 2 intermittent positions (76 full-time vacant positions are included in the full-time positions). For the Financial Responsibility and Compliance Account, the BMV estimates 22 full-time positions (one vacant position is included in the full-time positions). For the Abandoned Vehicles Account, the BMV estimates 12 full-time positions.

Explanation of State Revenues: (Revised) Specific revenues will depend upon the manner in which the proposal is implemented.

(6) Removing a provision that allows the BMV to charge a fee to a person who uses a bank card or credit card to pay Motor Vehicle License Excise Tax for transaction charges or discount fees charged by bank or credit card vendors will have no fiscal impact. The BMV reports that this fee is not collected.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles; Bureau of Motor Vehicles Commission.

Local Agencies Affected:

Information Sources: Budget documents for the Bureau of Motor Vehicles; Bureau of Motor Vehicles Commission.

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